

City of Somerville FY2016 Classification Hearing

November 24, 2015

Adoption of Tax Levy percentages for FY 2016

Somerville Board of Assessors

Marc A Levy, RMA, MAA
Chief Assessor & Chairman

Michael Flynn, MAA
Thomas J Mulhern, MAA

Joseph A Curtatone
Mayor



Recommendations

1. A motion that the Board of Aldermen adopts a minimum residential factor of 87.0237, the legal minimum for the City of Somerville for FY 2016.
2. A motion that the Board of Aldermen accepts the provisions of Chapter 59, section 5C approving a residential exemption of 35% of average assessed value for owner occupied properties for FY 2016.

Comparison of State Form LA-4

FY15 & FY16

USE CODE	DESCRIPTION	FY 2015 PARCEL COUNT	FY 2016 PARCEL COUNT	FY 2015 ASSESSED VALUE	FY 2016 ASSESSED VALUE
101	SINGLE FAMILY	2,348	2,341	\$1,237,078,300	\$1,299,181,600
102	CONDOMINIUM	4,787	4,953	\$1,846,089,700	\$2,174,115,200
104	TWO FAMILY	5,213	5,178	\$3,089,535,600	\$3,210,889,500
105	THREE FAMILY	2,328	2,317	\$1,562,788,700	\$1,651,088,700
109	2 OR MORE RES. BUILDINGS/1 LOT	71	72	\$58,371,400	\$65,280,900
111-125	APARTMENTS 4+	665	662	\$866,245,200	\$899,199,500
130-132,106	VACANT RES. LAND	184	179	\$11,470,900	\$12,173,400
300-393	COMMERCIAL	608	596	\$960,494,300	\$1,013,105,300
400-452	INDUSTRIAL	106	105	\$311,627,700	\$318,967,000
012-043	MIXED USE RESIDENTIAL	255	255	\$237,607,064	\$235,064,286
	MIXED USE COMMERCIAL			\$95,219,536	\$95,727,514
501-508	PERSONAL PROPERTY	1,305	1,312	\$215,696,880	\$223,981,370
TOTAL REAL & PERSONAL PROPERTY VALUE		17,870	17,970	\$10,492,225,280	\$11,198,774,270
900-990	EXEMPT REAL ESTATE	405	411	\$1,303,502,600	\$1,429,039,000

Parcel Count Changes FY15-FY16:

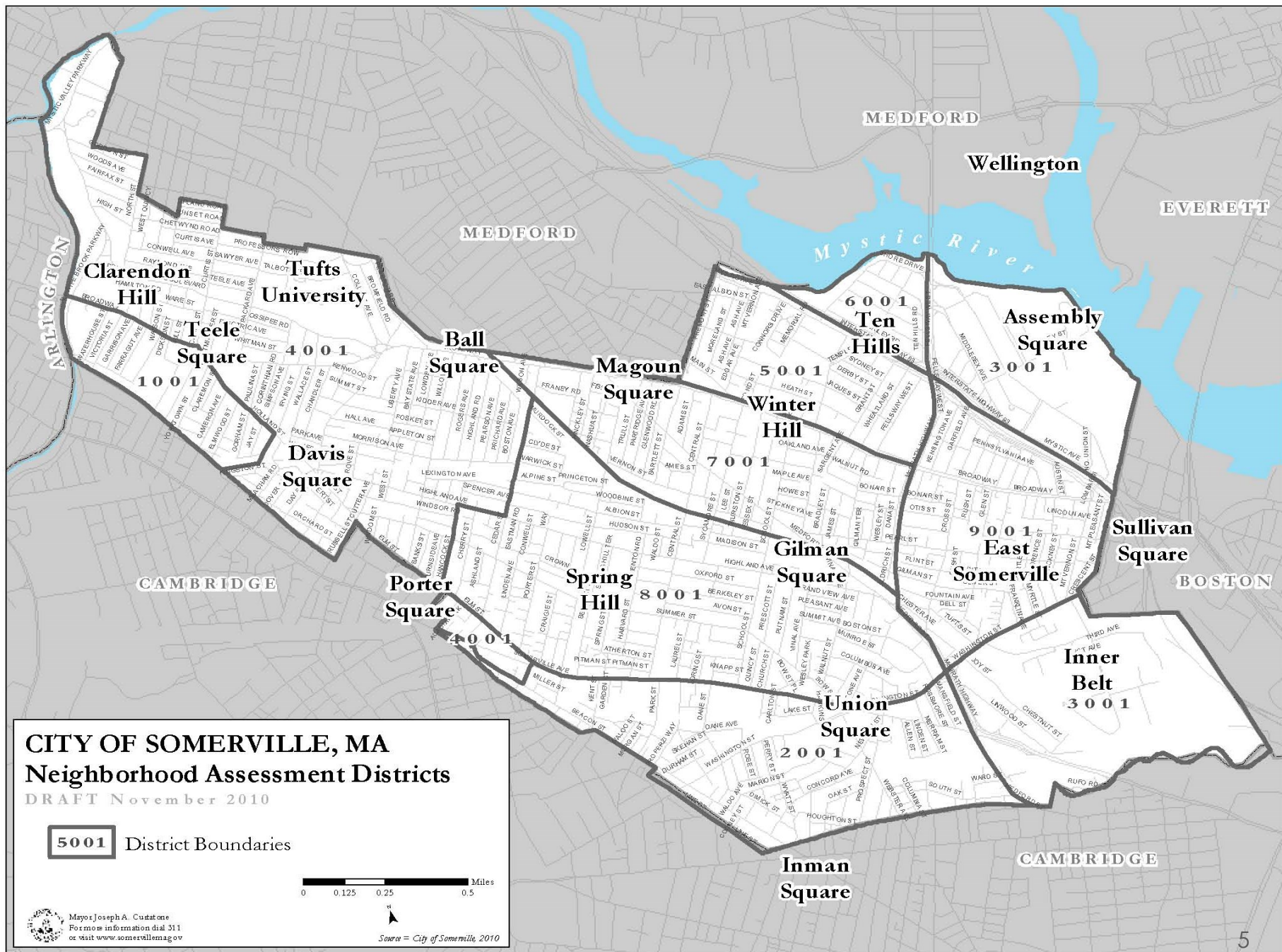
- Added 166 condo units (111 from conversions & 55 new construction)
- 7 less single family properties
- 35 less two family properties
- 11 less three family properties

City Wide Valuations Changes FY15-FY16

*(includes market & growth)

- Single family up 5%
- Two family up 5%
- Three family up 6%
- Apartments 4+ up 4%
- Condominiums up 12%

- Commercial & Industrial up 5% (up from a 1% increase last year)
- Personal Property up 4%



Assessment Changes By Neighborhood: Single Family

	FY15 Value	FY16 Value	% Change 15-16
1001 West Somerville South & Cambridge Line	636,300	688,700	8.24
2001 Ward 2 Union Square South	547,100	584,600	6.85
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	743,600	793,900	6.76
5001 Winter Hill North	356,400	364,400	2.24
6001 Ten Hills	428,900	466,900	8.86
7001 Winter Hill & Magoun Square	433,100	467,500	7.94
8001 Central, Spring & Prospect Hill	550,100	561,300	2.04
9001 East Somerville	340,200	348,000	2.29
City Average	526,900	555,000	5.33

Assessment Changes By Neighborhood: Two Family

	FY15 Value	FY16 Value	% Change 15-16
1001 West Somerville South & Cambridge Line	673,700	720,200	6.90
2001 Ward 2 Union Square South	601,200	635,900	5.77
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	698,800	739,600	5.84
5001 Winter Hill North	412,300	420,300	1.94
6001 Ten Hills	478,100	514,700	7.66
7001 Winter Hill & Magoun Square	477,200	508,900	6.64
8001 Central, Spring & Prospect Hill	590,700	598,200	1.27
9001 East Somerville	412,900	422,100	2.23
City Average	592,700	620,100	4.62

Assessment Changes By Neighborhood: Three Family

	FY15 Value	FY16 Value	% Change 15-16
1001 West Somerville South & Cambridge Line	789,200	859,700	8.93
2001 Ward 2 Union Square South	714,500	775,800	8.58
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	790,900	839,400	6.13
5001 Winter Hill North	528,300	558,500	5.72
6001 Ten Hills	525,400	571,700	8.81
7001 Winter Hill & Magoun Square	571,100	614,700	7.63
8001 Central, Spring & Prospect Hill	685,200	710,300	3.66
9001 East Somerville	496,000	516,700	4.17
City Average	671,300	712,600	6.15

Assessment Changes By Neighborhood: Condominium

	FY15 Value	FY16 Value	% Change 15-16
1001 West Somerville South & Cambridge Line	467,100	517,900	10.88
2001 Ward 2 Union Square South	387,400	435,200	12.34
3001 Ward 2 Cobble Hill	345,600	353,200	2.20
4001 West Somerville	459,900	516,300	12.26
5001 Winter Hill North	283,400	307,300	8.43
6001 Ten Hills	351,200	396,800	12.98
7001 Winter Hill & Magoun Square	303,000	342,200	12.94
8001 Central, Spring & Prospect Hill	394,600	442,900	12.24
9001 East Somerville	303,300	340,100	12.13
City Average	385,600	431,500	11.90

FY16 Growth

Use Type	Market Change (w/o growth)	New Growth Valuation	Tax Levy Growth
Single Family	4.8	7,355,300	
Condominium	9.7	48,078,648	
Two & Three Family	4.7	33,053,700	
Four+ Units	3.5	13,063,000	
Mixed-Use Residential & Other	4.8	28,472,468	
Total Residential	5.7	130,043,116	1,639,844
Commercial	2.8	42,911,407	874,534
Industrial	3.2	6,232,000	127,008
Personal Property	n/a	33,638,400	685,551
Total Real & Personal Property		212,824,923	\$ 3,326,937

Major Contributors to New Valuation Growth

445 Artisan Way (Block 4 ASQ - DIF)	\$22.6M
430 Artisan Way (Block 2 ASQ)	\$20.7M
399 Revolution Drive (Partners / FRIT)	\$ 8.5M
333 Great River Road (Block 1 ASQ - DIF)	\$ 7.3M
NSTAR Gas	\$ 2.9M
United Healthcare	\$ 2.2M
9 Medford Street (Apartments)	\$ 2.1M
NSTAR Electric	\$ 2.1M
611 Assembly Row	\$ 2.0M



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FY16 Tax Levy & Classification

FY16 Levy Limit: \$129,440,163

FY16 Levy: \$129,135,251

FY15 Levy: \$122,165,461

Tax Levy Change: \$ 6,969,790

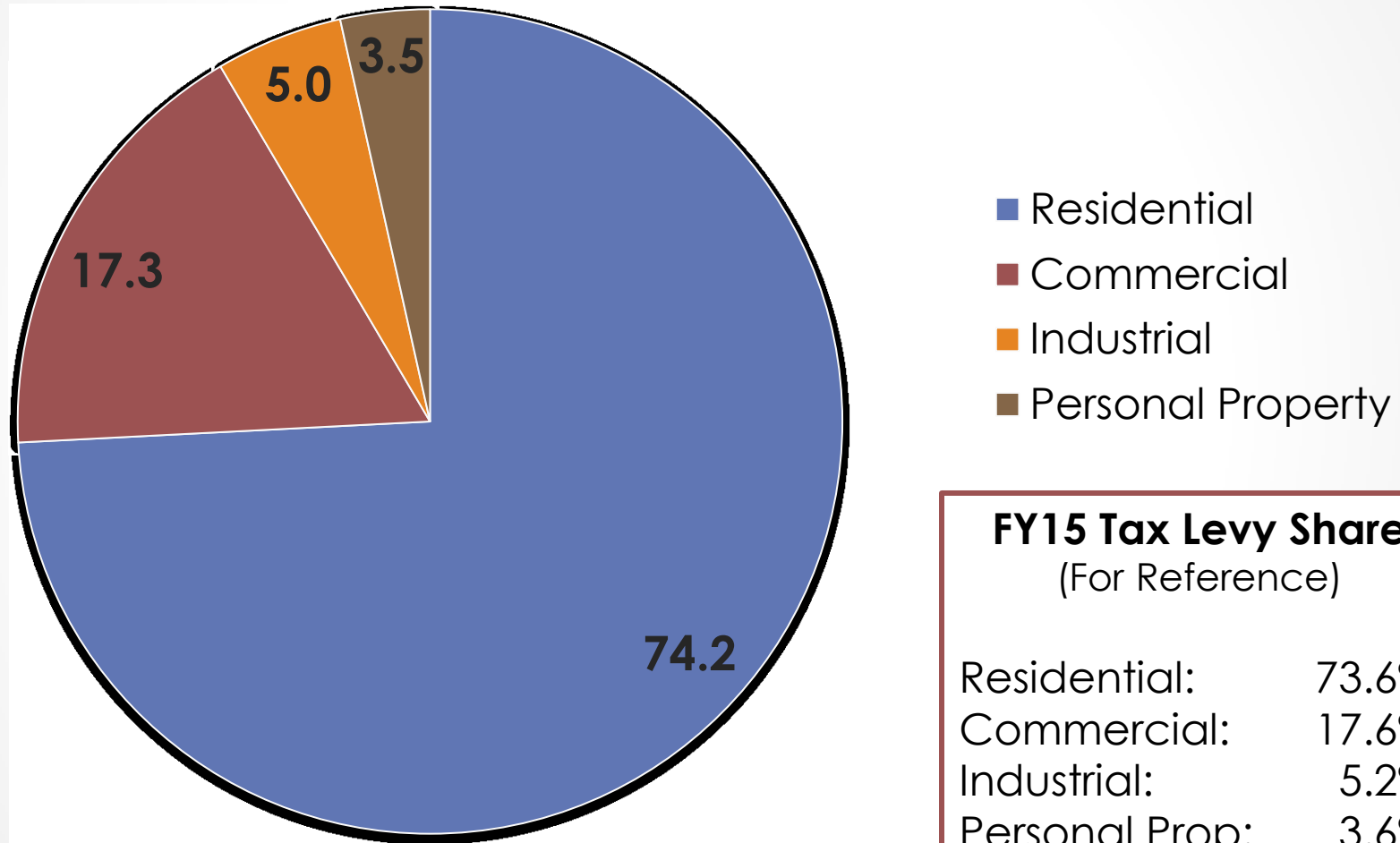
Percent Change:
5.7%

Excess Levy Capacity: \$ 304,912

	As Assessed	With 175% Classification
Commercial Value Percentage	14.7497	25.8120
Residential Value Percentage	85.2503	74.1880

Commercial Levy: \$33,332,391
Residential Levy: \$95,802,860

Tax Levy Share: FY16



Option 1: No Classification & No ResX

- Single Tax Rate: \$11.53

NOT RECOMMENDED

USE	FY15 AVERAGE VALUE	FY16 AVERAGE VALUE	FY15 AVERAGE TAX	FY16 AVERAGE TAX	TAX CHANGE FROM FY15
CONDO	385,600	431,500	\$2,384	\$4,975	\$2,591
1 FAMILY	526,900	555,000	\$4,164	\$6,399	\$2,235
2 FAMILY	592,700	620,100	\$4,996	\$7,150	\$2,154
3 FAMILY	671,300	712,600	\$5,988	\$8,216	\$2,228
4-8 FAMILY	855,100	897,300	\$8,304	\$10,346	\$2,042
9+ APTS	2,973,200	3,084,500	37,504	\$35,564	-\$1,940
COM/IN	1,781,700	1,900,200	36,312	\$21,909	-\$14,403

Option 2: With Classification & No ResX

- Residential Rate: \$10.03
- Commercial Rate: \$20.18

NOT RECOMMENDED

USE	FY15 AVERAGE VALUE	FY16 AVERAGE VALUE	FY15 AVERAGE TAX	FY16 AVERAGE TAX	TAX CHANGE FROM FY15
CONDO	385,600	431,500	\$2,384	\$4,328	\$1,944
1 FAMILY	526,900	555,000	\$4,164	\$5,567	\$1,403
2 FAMILY	592,700	620,100	\$4,996	\$6,220	\$1,224
3 FAMILY	671,300	712,600	\$5,988	\$7,147	\$1,159
4-8 FAMILY	855,100	897,300	\$8,304	\$9,000	\$696
9+ APTS	2,973,200	3,084,500	37,504	\$30,938	-\$6,566
COM/IN	1,781,700	1,900,200	36,312	\$38,346	\$2,034

Option 3: With Classification & ResX

- Residential Rate: \$12.53
- Commercial Rate: \$20.18

ResX Value Reduction: \$209,403
Tax Savings of \$2,623.82

RECOMMENDED

(ResX included for condo, 1, 2, 3 & 4-8 family) – **Excess Levy Capacity = \$304,912**

USE	FY15 AVERAGE VALUE	FY16 AVERAGE VALUE	FY15 AVERAGE TAX	FY16 AVERAGE TAX	TAX CHANGE FROM FY15
CONDO	385,600	431,500	\$2,384	\$2,783	\$399*
1 FAMILY	526,900	555,000	\$4,164	\$4,330	\$166
2 FAMILY	592,700	620,100	\$4,996	\$5,146	\$150
3 FAMILY	671,300	712,600	\$5,988	\$6,305	\$317
4-8 FAMILY	855,100	897,300	\$8,304	\$8,619	\$315
9+ APTS	2,973,200	3,084,500	37,504	\$38,649	\$1,145
COM/IN	1,781,700	1,900,200	36,312	\$38,346	\$2,034

*removing 3 large apartment buildings classified as condo units reduces change to approximately \$370

Recent City Initiatives to Ease Tax Impact

- Residential Exemption amount increased to 35%
- Clause 41 C for seniors increased from \$750 to \$1,000
- Asset & income limits increased for 41 C recipients
- Senior work-off income limits increased
- Interest rate lowered & income limit raised for tax deferral program (41 A)
- Additional real estate exemption up to 100% allowed
- Tax deferral on property and auto excise for National Guard members and reservists

Future development will build commercial tax base and lower residential tax liability

New commercial space projected in the next 10 years:

Assembly Square	2,800,000 SF
Union Square	1,400,000 SF
Brickbottom	300,000 SF
Inner Belt	1,200,000 SF
Davis Square	150,000 SF
Gilman Square	44,400 SF
Boynton Yards	1,000,000 SF
North Point	410,000 SF
Total	7,304,400 SF

**Projections provided by OSPCD*

Current Approximate Square Footage Citywide

Retail:	5,000,000
Office:	1,600,000
Industrial:	3,100,000
Total:	9,700,000



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